



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
REAL ESTATE REGISTRATION PROJECT
APPROVED ON OCTOBER 25, 2012
TO
BOSNIA AND HERZEGOVINA

URBAN, RESILIENCE AND LAND

EUROPE AND CENTRAL ASIA

Regional Vice President:	Anna M. Bjerde
Country Director:	Linda Van Gelder
Regional Director:	Steven N. Schonberger
Practice Manager/Manager:	Christoph Pusch
Task Team Leader(s):	Paul Scott Prettitore



ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
BiH	Bosnia and Herzegovina
FBH	Federation of Bosnia and Herzegovina
FGA	Federation Administration for Geodetic and Real Property Affairs
MoU	Memorandum of Understanding
PDO	Project Development Objective
PIU	Project Implementation Unit
RERP	Real Estate Registration Project
RGA	Republic Administration for Geodetic and Real Property Affairs
RS	Republika Srpska



BASIC DATA

Product Information

Project ID P128950	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 25-Oct-2012	Current Closing Date 31-Jul-2022

Organizations

Borrower Bosnia and Herzegovina	Responsible Agency Federal Administration for Geodetic and Real-Property Affairs of the Federation of BH, Republic Administration for Geodetic and Property Affairs of Republika Srpska
------------------------------------	--

Project Development Objective (PDO)

Original PDO

The project development objective is to support development of a sustainable real estate registration system with harmonized land register and cadastre records in urban areas of both the Federation of Bosnia and Herzegovina and the Republic of Srpska.

Current PDO

The project development objective is to support development of a sustainable real estate registration system with harmonized land registry and cadastre records in urban areas of both the Federation of Bosnia and Herzegovina and the Republika Srpska.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IBRD-90480	05-Mar-2020	02-Jul-2020	17-Dec-2020	31-Jul-2022	22.40	7.30	15.42
IDA-51880	25-Oct-2012	25-Jan-2013	23-Sep-2013	31-Dec-2020	33.96	32.13	0



Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. Progress towards the achievement of the Real Estate Registration Project's (RERP) project development objective (PDO) and the performance of the Borrower and Implementing Agencies are considered Satisfactory. All current PDO indicators have met or exceeded their original end targets. RERP's activities have also led to considerable, direct benefits to citizens and businesses of Bosnia and Herzegovina (BiH). Since the start of the original loan that closed on July 31, 2020, more than 2.1 million citizens (37 percent of which are women) have benefitted from land and property registration, representing nearly two-thirds of the population of BiH. These households have been provided land titles with data harmonized with cadastre records proving rights and have been given direct access to titles and cadastre documents online that can be used to request ID cards or as collateral for loans.

2. Although there are considerable achievements resulting from RERP's activities, the project's Implementing Agencies, FGA¹ and RGA², have requested an extension of RERP's Additional Financing (AF) with a justification that delays caused by the prolonged process to declare effectiveness as well as the impacts of the COVID-19 pandemic. After AF approval by the World Bank's Board of Directors on March 5, 2020, the Government of BiH took five-and-a-half months to officially approve the loan, which was faster than the average eight to ten months but still resulted in a considerable delay in effectiveness. The AF became effective at the end of December 2020, which left just 19 months for implementation of all AF activities (as opposed to the original 24 months). The COVID-19 pandemic also interrupted implementation, as infections and consequent quarantines of Project Implementation Unit (PIU) staff created constant interruptions in workflow. Cadastral municipality offices and land registration offices within courts were also closed for extended periods of time or were forced to work with fewer staff. Consultants hired to perform scanning and title registry activities were also prevented from starting or completing assignments because such work could not be conducted at home. As such—and based on the delays and the consequent inability to complete pending AF activities—it is estimated that 45 percent of AF funds would remain unspent by the current closing date of July 31, 2022.

3. Key activities that require extension of the project closing date include the following:

- Completion of land registration and data harmonization in all of the municipalities that are targeted by RERP;
- Procurement of ICT hardware and software that are needed for sustainability of the land information system to digitize, store, update, share and make publicly available at low-cost all land data and records, as well as the establishment of the ICT management structure that will ensure the sustainability of ICT investments under RERP;
- Procurement and renovation of the Central Archive Building in Banja Luka, which is necessary for the replacement of ICT equipment and storage of land records in Republika Srpska, as well as completion of the Land Registry Office renovations;
- Rollout of new, enhanced land surveying procedures in RS; and
- Public information and awareness campaigns in municipalities that are still undergoing registration, with a focus on targeting vulnerable communities.

4. With an extension of the project closing date, it is estimated that an additional 250,000 land parcels would undergo registration, resulting in clear land titles for roughly 330,000 citizens of BiH (based on joint registration of married couples), of which around 120,000 are women. An additional 60 cadastral municipality offices have volunteered to join RERP and would also be included during the time of extension. Another three e-services would also be added under RERP activities, and additional Memorandums of Understanding (MoU) would be signed to expand the number of entities able

¹ Federation Administration for Geodetic and Real Property Affairs.

² Republic Administration for Geodetic and Real Property Affairs.



to access digitalized land records. The online land records database of Republika Srpska (eKatastar.rs) would also be upgraded, and the development of the utility cadastre in the entity could begin.

5. Currently, there are over 128,000 land parcels that have been updated in the cadastre and transferred to the land registry to harmonize data and issue a title. Extension of the project closing date will enable continuity in the work of the temporary land registry experts hired by the project and will help to avoid the backlog in the Federation of Bosnia and Herzegovina (FBH) courts. Additionally, the land rights of those affected citizens would be strengthened since data in the cadastre and registry would be harmonized.

6. Donor support to the BiH real estate registration system will also benefit from a project closing date extension. Currently, there are initiatives such as efforts to improve land taxation, that are financed by other donors (Sweden, Norway, the Netherlands, and the European Union). These separate donor initiatives build upon the harmonized textual and spatial land records, e-services and other activities under RERP. As such, the Government of BiH would more broadly benefit from other donor initiatives if RERP is extended, as they would be able to cover larger areas of BiH given the increased reliability of land records in FBH and RS.

7. Based on the cruciality of RERP's activities to the sustainability of the real estate registration system of BiH, particularly the investments in ICT hardware for ensuring a sustainable, digital land information system, the task team believes that a project extension is justified and would allow for the full achievement of the PDO. The task team also confirms the adequacy of project financial management and that there are no outstanding audits. To ensure the timely completion of all outstanding activities, RERP's Implementing Agencies have produced Action Plans with strict timelines to ensure accountability and timeliness of implementation, as this will be the only closing date extension under the AF. Having reviewed the Action Plans and agreed on them with the Government of BiH, the task team considers them acceptable, as well as feasible and realistic for ensuring that the PDO and intermediate results will be achieved.

II. DESCRIPTION OF PROPOSED CHANGES

8. The proposed changes under this Restructuring are an extension of the AF for an additional 24 months and a revision of the Results Framework to upgrade an Intermediate Outcome indicator to a PDO-level indicator in order to better measure sustainability of the real estate registration system of BiH. In addition to the activities described in the previous section, the extension would allow several project indicators covering the digitalization of cadastral maps, the establishment of digital archives, an increase in the number of e-services, implementation of public information campaigns and the establishment of an ICT management structure to be achieved. This is the first extension of the RERP under the AF, and no further extensions are planned.

9. Under this Restructuring, the following Intermediate Outcome indicator will be elevated to a PDO-level indicator: "Sustainable ICT management structure established and operational." While the Project Appraisal Document states that sustainability is measured, *inter alia*, by the delivery of quality services without discrimination and within a reasonable time, as well as the availability of reliable information to facilitate investments, RERP's current PDO indicators do not adequately capture the sustainability dimension of the real estate registration system. A sustainable ICT system for digital land records is considered key within the context of RERP's interventions in the BiH real estate registration system. The project's investments in ICT, as well as capacity building programs for relevant IT staff to maintain the system upon project closing, are a cornerstone for ensuring harmonized land registry and cadastre data as well as its being made publicly accessible online, which is covered with the other PDO indicators. Pending activities such as the completion of the RS Central Archive, the rollout of a document management system, and operationalization of the European Terrestrial



Reference System will contribute to the achievement of this new PDO indicator, as well as other relevant Intermediate Outcome indicators that have not yet been achieved during AF implementation.

10. The end dates of all RF indicators will also be extended to July 31, 2024—in line with the proposed closing date extension.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Loan Closing Date(s)	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓



Environmental Analysis

✓

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IBRD-90480	Effective	31-Jul-2022		31-Jul-2024	30-Nov-2024
IDA-51880	Closed	31-Jul-2018	31-Jan-2020, 31-Jul-2020, 31-Dec-2020, 23-Aug-2021		



Results framework

COUNTRY: Bosnia and Herzegovina
REAL ESTATE REGISTRATION PROJECT

Project Development Objectives(s)

The project development objective is to support development of a sustainable real estate registration system with harmonized land registry and cadastre records in urban areas of both the Federation of Bosnia and Herzegovina and the Republika Srpska.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Cadastral Municipalities with harmonized land registry and cadastre data/established REC					
Cadastral Municipalities (CMs) with harmonized land registry and cadastre data/established REC in urban areas (Number)		35.00	565.00	565.00	665.00
<i>Action: This indicator has been Revised</i>					
CMs with land registry and cadastre/Real Estate Cadastre data publicly accessible online (Percentage)		8.00	100.00	100.00	100.00
<i>Action: This indicator has been Revised</i>					
Direct project beneficiaries (Number)		90,000.00	1,680,000.00	1,730,000.00	1,880,000.00
<i>Action: This indicator has been Revised</i>					
Female beneficiaries (Percentage)		30.00	35.00	35.00	35.00
Sustainable ICT management structure established and operational (Text)		No formal IT management structure (RS); No formal IT coordination structure (FBH)			Sustainable IT management structure established and



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
					operational (RS); IT Coordination structure operational (FBH)
<i>Action: This indicator is New</i>					

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Component A - Real estate registration data development					
Public awareness campaign completed for RERP harmonization/REC establishment in target areas (Number)		0.00	530.00	550.00	630.00
<i>Action: This indicator has been Revised</i>					
Cadastral Municipalities (CMs) covered by the vulnerability mapping (Number)		0.00	530.00	550.00	630.00
<i>Action: This indicator has been Revised</i>					
Target land area with use or ownership rights recorded as a result of project (Hectare(Ha))		0.00	680,000.00	680,000.00	766,875.00
<i>Action: This indicator has been Revised</i>					
Land parcels with use or ownership rights recorded as a result of the project (Number)		0.00	1,400,000.00	1,400,000.00	1,620,571.00
<i>Action: This indicator has been Revised</i>					



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Cadastral Municipalities (CMs) with new cadastral survey (RS). (Number)		0.00	0.00	11.00	20.00
<i>Action: This indicator has been Revised</i>					
European Terrestrial Reference System (ETRS) in use in cadastral surveys in Bosnia and Herzegovina (RS) (Percentage)		0.00	0.00	100.00	100.00
<i>Action: This indicator has been Revised</i>					
Cadastral maps in digital form of the entity territory (Text)		65% (RS); 27% (FBH)	77% (RS); 67% (FBH)	80% (RS); 69% (FBH)	85%(RS); 71% (FBH)
<i>Action: This indicator has been Revised</i>					
Component B - Real estate registration infrastructure development					
Analytical reports produced on disaggregated data to support decision-making (gender) (Yes/No)		No	Yes	Yes	Yes
<i>Action: This indicator has been Revised</i>					
Real Estate cadastre Offices purchased/renovated (RS) (Number)		0.00	21.00	22.00	24.00
<i>Action: This indicator has been Revised</i>					
Land registry and cadastre offices renovated (FBH) (Number)		29.00	50.00	55.00	58.00
<i>Action: This indicator has been Revised</i>					
Sustainable ICT management structure established and operational (Text)		No formal IT management structure (RS); No formal IT coordination structure (FBH)	Business model for IT management structure developed (RS); MOU signed between FMoJ and FGA to establish IT	Business model for IT management structure operational (RS); TOR for the IT Coordination structure drafted	Sustainable IT management structure established and operational (RS); IT Coordination structure operational (FBH)



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
			coordination structure (FBH)	and staff appointed and trained (FBH)	
Action: This indicator has been Marked for Deletion					
E-services type provided for key stakeholders (Number)		2.00	12.00	13.00	16.00
Action: This indicator has been Revised					
No. of delivered e-services per year (Number)		0.00	3,300,000.00	3,100,000.00	1,700,000.00
Action: This indicator has been Revised					
Number of external systems or registries interoperable with the cadastre and real land registration systems (Number)		1.00	1.00	3.00	6.00
Action: This indicator has been Revised					
Cadaster and property registration systems exchange data (FBiH) (Text)		No	No	No	Yes
Action: This indicator has been Revised					
IT System capable to maintain harmonized data (Yes/No)		No	Yes	Yes	Yes
Action: This indicator has been Revised					
Digital archive operational in priority offices (Number)		3.00	110.00	114.00	125.00
Action: This indicator has been Revised					
Central analog and digital archive established and operational (RS) (Text)		No Central Archive.	Building acquired and renovation plans prepared	Building renovation ongoing	Central Archive established and operational.



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
<i>Action: This indicator has been Revised</i>					
Component C - Policy and institutional development, and project management					
Studies on the financial sustainability of the real property registration system (Number)		0.00	0.00	0.00	2.00
<i>Action: This indicator has been Revised</i>					
Feasibility Studies on the completion of data harmonization (FBH) and REC establishment (RS) (Number)		0.00	0.00	0.00	2.00
<i>Action: This indicator has been Revised</i>					
Volume and value of mortgages (Text)		Volume of mortgages: 15810, Value: 2.200 million (RS); Volume of mortgages: 90.000, Value: 2,880 million	Volume: 26,500, Value: 848m (RS); Volume: 242.000, Value: 7,744m (FBH)	Volume: 27,500, Value: 880m (RS); Volume: 250,000, Value: 8,000m (FBH)	Volume 28,500, Value: 912m (RS); Volume: 260,000, Value: 8,320m (FBH)
<i>Action: This indicator has been Revised</i>					
Volume and value of transactions or requests for registration in land registry offices (Text)		44000/ 405 million* (RS); 70,000/644 million**(FBH)	Volume: 57,000, Value: 525m (RS); Volume: 100,000, Value: 920m (FBH)	Volume: 58,000, Value: 534m (RS); Volume: 118,000, Value: 1,086m (FBH)	Volume: 59,000, Value: 543m (RS); Volume: 130,000, Value: 1,196m (FBH)
<i>Action: This indicator has been Revised</i>					
Public Awareness Campaign completed (Number)		0.00	4.00	6.00	7.00
<i>Action: This indicator has been Revised</i>					
Customer Surveys completed (Number)		0.00	4.00	4.00	6.00
<i>Action: This indicator has been Revised</i>					



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
User perception of quality of real estate registration services, private and public sector users is maintained (Percentage)		75.00			80.00
Action: This indicator has been Revised					
Impact Evaluation Survey completed (Number)		0.00	3.00	3.00	4.00
Action: This indicator has been Revised					
No. of participants trained (Number)		1,047.00	8,350.00	9,000.00	9,800.00
Action: This indicator has been Revised					

